



September 3, 2013 PRESS RELEASE – FOR IMMEDIATE RELEASE

Event: **PUBLIC HOUSING REPLACES LOST UNITS AT ROOSEVELT HOMES**
Saint Paul Public Housing Agency (PHA) Breaks Ground for 6 New Homes at Roosevelt Townhomes Family Development

Place: Roosevelt Townhomes
1575 Ames Avenue
St. Paul, MN 55106
(South of Maryland Avenue, between Phalen Parkway and White Bear Avenue)

Date: Tuesday September 24, 2013

Time: 9:00 AM – 11:00 AM (Program at 9:30 AM)

FOR MORE INFORMATION CONTACT:

Alicia Huckleby, Resident Initiatives Director

or

Al Hester, Housing Policy Director

Information about the PHA is also posted at: www.stpha.org

PUBLIC HOUSING CONSTRUCTION BEGINS ON EASTSIDE

Saint Paul Public Housing Agency awards \$1 million contract

On Tuesday September 24, 2013 the Saint Paul Public Housing Agency (PHA) will mark the beginning of a million dollar addition to its Roosevelt Townhomes public housing development on the East Side. The area now has 314 townhome rental units that were originally built for low income families in 1952. The new construction will add six new townhome units to replace a six-unit building that was removed from the site after a natural gas explosion in 1980.

On April 24, 2013 the PHA Board of Commissioners approved the construction contract for \$1,015,406 with Project One Construction, Inc., of Kimball, Minnesota. Over half of the cost comes

from a \$540,000 loan from the Minnesota Housing Agency. The rest of the cost will be covered by federal funds the PHA receives from HUD under the Public Housing Capital Fund Program.

The new building will have a number of special features including the following:

- One of the six units will be fully accessible for persons with disabilities.
- All units will be fully protected by fire suppression sprinklers.
- The construction will meet the Green Communities Standards required by Minnesota Housing as part of their loan requirements.
- The units will have security screens on the first floor windows to reduce future window breakage and increase security.
- The building will have stucco on the exterior of the first floor and cementitious siding (like Hardi-Plank) on the second floor exteriors to provide extra durability and reduced maintenance costs.
- The contract includes necessary site work to remove an existing playground, modify the adjacent parking lot and run the sanitary sewer out to the middle of Ames Avenue.

In addition to PHA Executive Director Jon Gutzmann, speakers for the press event will include State Senator Fong Hawj, State Representative Tim Mahoney (invited), Councilmember Dan Bostrom, a Minnesota Housing official, PHA Commissioners and officers of the Roosevelt Resident Council.

Following federal and state law and its own contracting policies, the PHA awards to the “lowest responsible bidder” who fully responds to all of the contract requirements. Before awarding a contract PHA staff confirm the contractors’ bid amounts, qualifications, commitments to equal employment practices and subcontracting to qualified businesses owned by people who are racial minorities, women or persons with disabilities.

Capital improvements to public housing properties benefit the current and future residents, improve the community and generate economic benefits. A national study by Econsult determined that each dollar of HUD capital funding generated \$2.12 in economic activity in the community, and almost 15 jobs created or supported for each \$1 million construction project. (In capital improvement projects much of the money buys materials, equipment, etc.) Following that estimate, this PHA contract would support about 15 jobs.

PHA Executive Director Jon Gutzmann says,

“Roosevelt Townhomes has served its residents and the community well for over 60 years, and this addition returns it to the same size it was when built in 1952. The State of Minnesota’s commitment to help preserve federally-funded public housing is demonstrated here. We applaud the Governor and the State Legislature for approving millions of dollars over the last few years for capital improvements to public housing throughout the State. We encourage them to do more of the same this session and in the future.”

The new building will be completed by the end of this year.

PHA Background:

The St. Paul PHA has a national reputation for successful programs and has been recognized in many ways over its 35-year history.

The agency has earned HUD's "High Performer" rating for 23 consecutive years in its public housing program, and for 12 consecutive years in its Section 8 program, based on performance indicators like these:

- All of the PHA's public housing units are occupied: less than 1% vacancy rate every year for over 17 years.
- PHA residents pay rent on time. The PHA's collection losses are under two percent of all rents and charges billed.
- PHA residents comply with their lease. Only 1-2% of residents are evicted for serious lease violations each year.
- The PHA's public housing units are well maintained. Maintenance requests are completed quickly: Emergencies repairs are done in less than 24 hours, and routine requests in an average of less than 5 days. Residents report almost 100% satisfaction with work orders.
- Crime rates in PHA properties are consistently lower than city-wide averages.
- The PHA spends its capital grants from HUD on time, following approved plans and budgets.
- The PHA compiled a 15 year record with zero findings on its annual audits and has won awards for its financial reporting.

The PHA received HUD's National Outstanding Sustained Performance Awards in 1991 and 1996, and was the highest-rated large housing agency in the country in 1996 (the only year HUD published such a national ranking).

The PHA administers federal rent subsidies that provide safe, affordable housing to more than 20,000 Saint Paul residents. Almost half of those residents live in the 4253 public housing homes and apartments that the PHA owns and manages. Section 8 Housing Choice Vouchers pay part of the rent in privately-owned properties for another 4,587 households (families and individuals).

Over half of the PHA-owned units (2554) are in 16 high-rise apartment buildings for seniors, persons with disabilities and younger single people. Most of the high-rise apartments are efficiency or one-bedroom units. Almost 1300 family townhomes are divided among four housing developments.

Roosevelt Townhomes is the PHA's second largest family development, with 314 units. (Mt. Airy Homes near the Capitol has 298 family units and McDonough Homes in the North End has 580 units). Another 400 families rent PHA "scattered site" homes that are distributed throughout the city. Over 8200 households have put their names on the public housing waiting list. The wait can be six months (for an elderly person or a person with a disability to lease a small hi-rise unit) or up to several years (for a family needing a larger unit). The length of wait depends on the household size and other factors.

The PHA also administers the federal rent subsidy program known as "Section 8 Housing Choice Vouchers". The rental vouchers help over 4500 households pay affordable rents in privately-owned apartments and rental homes. The waiting list for have Section 8 vouchers is closed, and the few families receiving vouchers now have waited years for their names to come to the top of the list.

Over 11,000 households requested applications when the waiting list was opened for three days in 2007, and almost 2000 are still on the list.

Families in both public housing and Section 8-subsidized apartments pay about 30% of their income for rent and utilities, and the federal housing subsidy pays the rest of the cost.

The total insured value of the PHA’s public housing properties is almost \$600 million. The total annual budget for public housing, Section 8 and related programs is about \$70 million. Public housing residents pay over \$12 million a year to the PHA for rent and utilities. HUD will provide about \$11.6 million this year for the public housing “operating subsidy” and another \$6 million for major modernization work. The Section 8 program alone will bring about \$36 million in federal funds to Saint Paul this year, most of which is then paid out as rent subsidies to private property owners. Federal funding for both Section 8 and public housing has been cut significantly by the “sequestration” and previous reductions approved by Congress. In a recent “physical needs assessment” of public housing properties, PHA staff tallied \$77 million in deferred maintenance and other capital needs caused by aging buildings and several years of reduced federal funding.

###